

State of California
AIR RESOURCES BOARD

Summary of Board Meeting
June 14, 2007

San Joaquin Valley Air Pollution Control District
1990 E. Gettysburg Ave., Fresno, CA 93726

MEMBERS PRESENT: Robert F. Sawyer, Ph.D.
Sandra Berg
Judith Case
Dorene D'Adamo
Jerry Hill
Lydia Kennard
Barbara Riordan
Daniel Sperling, Ph.D.

AGENDA ITEM #

**07-6-1: Public Meeting to Update the Board on the Procedure for
Considering Concurrence with Agricultural Burning Rules in
the San Joaquin Valley**

SUMMARY OF AGENDA ITEM:

Staff presented the key requirements of Senate Bill 705 (SB 705), enacted in 2003. SB 705 generally requires the phase-out of agricultural burning of certain crops and waste in the San Joaquin Valley Air Pollution Control District (District) and requires the District to revise its rules accordingly to implement these provisions. SB 705 also allows the District to postpone the prohibitions against burning if the District determines that certain criteria are met, and the ARB concurs with the District's determinations. In May of this year, the District revised its Rule 4103, which addresses open burning to incorporate the requirements of SB 705. The District also approved some limited postponements.

Staff outlined the review process that would be followed for determining ARB's concurrence. The process includes a technical review of the potential impacts by ARB staff, review of staff's assessment by two board members, and a letter to the inform the District of ARB's decision regarding concurrence.

ORAL TESTIMONY:

Gabrielle Kirkland, California Grape & Tree Fruit League
Manuel Cunha, Jr., Nisei Farmers
Paul Cort, Earth Justice

FORMAL BOARD ACTION: None (Informational Only)

RESPONSIBLE DIVISION: Planning and Technical Support
Division

STAFF REPORT: No

**07-6-2: Public Meeting to Consider Approval of the San Joaquin Valley
2007 Ozone Plan**

SUMMARY OF AGENDA ITEM

The federal Clean Air Act establishes planning requirements for those areas that exceed the health-based National Ambient Air Quality Standards. On April 30, 2007, the San Joaquin Valley Air Pollution Control District (District) adopted the 2007 Ozone Plan to fulfill the federal 8-hour ozone planning requirements. The District also requested reclassification from serious to extreme nonattainment of the 8-hour ozone standard.

ARB staff analyzed the 2007 Ozone Plan and concluded that the plan meets federal air quality planning requirements and demonstrates attainment of the 8-hour ozone standard by the extreme attainment date of June 15, 2024. ARB staff proposed that the Board direct the Executive Officer to adopt the 2007 Ozone Plan as a SIP revision and submit it to U.S. EPA after the proposed State Strategy has been adopted. Staff also proposed that the Board direct the Executive Officer to submit to U.S. EPA the District's request for reclassification to extreme nonattainment.

ORAL TESTIMONY

Mr. Ben Benavidez
Mr. Bill Davis
Mr. Brent Newell
Mr. George S.
Mr. Jim Compton-Schmidt
Mr. John Grant
Mr. Kevin Abernathy

Mr. Manuel Cunha, Nisei Farmers
Mr. Paul Cort, Earth Justice
Mr. Rey Leon, Latino Issues Forum
Mr. Robert Mansfield
Mr. Roger Ison, CA Cotton Growers Association
Mr. Sean Edgar, Clean Fleets Coalition
Mr. Seyed Sadredin, San Joaquin Valley Air Pollution Control District
Mr. Tom Grave, Merced Alliance for Responsible Growth
Ms. Andrea Perez, Luca
Ms. Ashley Fairburn, No Compromise in Defense of the Earth
Ms. Cathy Rehies-Boyd, Western States Petroleum Association
Ms. Christina Stove, Earth Justice
Ms. Daniela Simunovic
Ms. Dolores Huerta, Dolores Huerta Foundation
Ms. Gabrielle Kirkland, CA Grape & Tree Fruit League
Ms. Jenny Saklar, Fresno Metro Ministry
Ms. Kim Thompson, Fresno-Madera Medical Society
Ms. Lisa Kayser-Grant, Moms Clean Air Network
Ms. Liza Bolanos, Central Valley Air Quality Coalition
Ms. Lori de Leon, Dolores Huerta Foundation
Ms. Margarita Guzman, Comite ASMA
Ms. Mary-Michal Rawling, Golden Valley Health Centers
Ms. Melissa Kelly-Ortega, Merced/Mariposa County Asthma
Ms. Michelle Garcia, American Lung Association
Ms. Nidia Bautista, Coalition for Clean Air
Ms. Pamela Van Camp
Ms. Rebecca Taylor, Earth Justice
Ms. Sandra Garcia, Campesinas Unidas
Ms. Sarah Jackson, Earth Justice
Ms. Sarah Sharpe, Coalition for Clean Air
Ms. Shirley Batchman, California Citrus Mutual
Ms. Teresa DeAnder, Comite Bienestar de Earlimart
Ms. Vishinna Turner, C.A.F.E.
Rev. Walt Perry, Local Health Care Coalition
Senator Dean Florez

FORMAL BOARD ACTION

The Board approved Resolution 07-20 by a by a 7-1 vote.

Resolution 07-20 directs the Executive Officer to take final action to adopt the 2007 Ozone Plan as a SIP revision after the proposed State Strategy has been adopted. The Resolution also directs the Executive Officer to submit to U.S. EPA the District's request for reclassification to extreme nonattainment.

In addition, the Board directed the Executive Officer to take the following actions:

- Work with the District and stakeholders during the next six months to fully investigate additional measures, including operational measures, which can feasibly be implemented to achieve emission reductions more quickly in the San Joaquin Valley.
- Carefully review the final report being prepared by the International Sustainable Systems Research Center, entitled "Clearing the Air," and to evaluate the feasibility of the recommendations contained in the report.
- Form a task force of Board members and Valley stakeholders, and to conduct outreach and townhall meetings with community members and stakeholders, in order to foster better communication and identify additional actions to accelerate air quality improvement in the San Joaquin Valley.
- Report back to the Board within six months with the results of staff's investigation, an analysis of feasible suggestions received from community members and stakeholders, and staff's recommendations on appropriate revisions to strengthen the SIP.
- Report annually thereafter regarding progress by the District and ARB in meeting their SIP commitments, and whether additional measures or SIP revisions could be adopted.

RESPONSIBLE DIVISION: Planning and Technical Support Division

STAFF REPORT: Yes

07-6-3: Public Hearing to Consider 2007 Amendments to the Phase 3 California Reformulated Gasoline (CaRFG3) Regulations

SUMMARY OF AGENDA ITEM:

Staff recommended that the Board approve proposed amendments to the California reformulated gasoline regulations. The proposed amendments would, 1) update the California Predictive Model to require the excess evaporative hydrocarbon emissions associated with the presence of ethanol be offset and incorporate new data to ensure the preservation of the emissions benefits of the reformulated gasoline program; (2) lower the sulfur cap and add new provisions to allow the emissions averaging of low sulfur levels to provide increased flexibility; (3) add a provision to allow for an Alternative Emissions Reduction Plan so refiners and producers may offset excess emissions through emission reductions from other related sources to provide flexibility in complying with the regulations; and (4) add additional amendments to increase flexibility, consistency and enforceability of the regulations.

Staff proposed that all refiners and fuel producers mitigate the increase in evaporative emissions associated with the presence of ethanol by 2010 by either producing complying gasoline or using an Alternative Emissions Reduction Plan. Staff's proposal will require fuel producers to mitigate emission increases using fully compliant fuels by 2012.

At the Hearing, the staff proposed additional modifications to the original proposal:

- Allow third parties who are not producers or importers to enter into an alternative emission reduction plan by obtaining emission reduction offsets on behalf of producers or importers;
- Implement the lower sulfur cap in 2012 rather than 2010 to allow refiners time to complete refinery modifications;
- Allow early implementation of the proposed amendments for parties wishing to increase ethanol blending, provided emissions impacts are mitigated; and
- Update the Predictive Model Spread Sheet and the Procedures Guide to be consistent with the proposed amendments.

In addition, the Board directed staff to:

- Complete off-road permeation studies and take appropriate action based on the results;

- Review the regulation as part of the low carbon fuel standard rulemaking;
- Work with the companies on California Environmental Quality Act and permitting issues;
- Update the certification fuel to include ethanol; and
- Add provisions as appropriate to implement any new legislation regarding alternative fuels to mitigate emissions associated with higher blends of ethanol.

Stakeholders representing the fuel producers strongly emphasized the need for additional time (an extra two years approximately) to ensure necessary upgrades/modifications can be completed given their current shortages in plant modification staff/consultants. They also voiced their disapproval with the Alternative Emissions Reduction Plan as suggested by the staff. Automobile manufacturer representatives requested that the Board consider lowering the sulfur cap even further than the levels proposed by the staff to enable the introduction of new advanced emissions control technologies. Representatives of the ethanol industry suggested that the Board consider additional amendments to allow for increased blending of ethanol providing any increase in emissions are mitigated.

The Board approved the proposed amendments to the CaRFG3 regulations with the modifications proposed by staff. The modifications will be made available for public review and comment for a 15-day period in a Notice of Public Availability of Modified Text.

ORAL TESTIMONY:

James Uihlien, Chevron
 Gordon Schremp, California Energy Commission
 Gary Herwick, Transportation Fuels Consulting
 Paul Wuebben, South Coast AQMD
 Albert Hochhauser, Fuels and Vehicle Research Consultant
 David S. Hirshfeld, California Energy Commission
 Cathy Reheis-Boyd, Western States Petroleum Association
 Bill Jones, Pacific Ethanol
 Dave Smith, British Petroleum
 Darren Stroud, Valero
 Ellen Shapiro, Alliance of Auto Manufacturers
 David Patterson, Mitsubishi
 Bill Davis, CIAQC

FORMAL BOARD ACTION: The Board approved Resolution 07-21 by a unanimous vote.

RESPONSIBLE DIVISION: Stationary Source Division

STAFF REPORT: Yes